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C O N F I D E N T I A L SECTION 01 OF 05 CHENGDU 000298

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SUBJECT: THE TAR'S FLOATING POPULATION, ECONOMIC DEVELOPMENT AND THE
RAILROAD

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CLASSIFIED BY: John Hill, Acting Consul General, Chengdu,
Department of State.
REASON: 1.4 (b), (d)

¶1. (C) Summary: The completion of the Qinghai-Tibet railroad has accelerated the outsider-driven development of the Tibet Autonomous Region (TAR). Numerous official, academic, and other sources indicate that during at its peak the floating population is at least half of Lhasa's permanent resident population. Lhasa's floating population is very largely ethnic Han from the Chinese interior, especially Sichuan. Economic considerations as well as a rise in the numbers of tourists may be leading to increased use of the railroad to move PLA soldiers in and out of the TAR and use the Lhasa airport less. Ethnic Tibetans worry that their culture and religion, long sheltered by the TAR's remoteness, are threatened now not only by religious and ideological conflicts but also by large and rapidly growing population inflows that abundant job opportunities, cheap airplane and train tickets and the rise in Chinese disposable incomes over the past decade have wrought. End Summary.

TAR Economic Development Drew Many Migrants, Railroad Brings Many More

¶2. (C) China's economic investments in the TAR - an area that represents approximately one-fifth the total land area of the People's Republic of China (PRC) -- have been much higher per capita given the thinly-populated nature of the region than in other parts of the country. Three thousand "Help Tibet Cadres" from the interior and billions of dollars in central government and provincial assistance money have poured into the TAR (ref A). In the decade before the opening of the railroad in 2006, these massive investments drew in large numbers of construction and other workers, mostly ethnic Han from the interior. This brought not only massive upgrades to the TAR's infrastructure but more ethnic friction as well. The opening of the Qinghai-Tibet railroad in July 2006 has accelerated the pace of the TAR's externally-driven development and modernization process.

TAR Population Statistics and the "Floating Population" Concept

¶3. (C) Many Chinese migrant workers, especially from neighboring

Sichuan Province -- China's top exporter of migrant labor - have taken advantage of numerous construction projects in the TAR including the mammoth new railroad. The impact of the Han Chinese in the TAR can be approached through the "floating population" (liudong renkou) concept used by Chinese social scientists to track the gross flows of not just migrant workers but also tourists, business travelers, religious pilgrims, etc. The concept of "floating population" in the TAR is best understood as a statistical construct meant to represent a relatively permanent population composed of a much larger number of temporary visitors. Of course, some of these "temporary visitors" may stay for years, others for a few days only, but the "floating population" concept is essentially a snapshot of the number of outsiders in the TAR at any given time. Chinese urban population estimates throughout China, not just for the TAR, are often much too low because they do not include many hundreds of thousand or sometimes millions of millions of migrant workers with rural registrations who actually live living temporarily or semi-permanently in the city.

A Sensitive Subject

¶4. (C) When it comes to the TAR, this typical population data fuzziness is compounded by defensiveness about the very sensitive issue of ethnic Han migration into the TAR. Chinese officials are reluctant to even hazard a guess on the proportion of ethnic Han working on this or that project. Getting information on migration into the TAR from officials or open sources on the number of immigrants and their effect on the TAR's economy and culture is difficult. Nevertheless, based on our observations, anecdotal information, a close reading of local press sources, as well as a recent report on the subject by a Sichuan University academic (summary provided ref B), we have put together a picture of how the increase in the number of

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"outsiders" in the TAR, particularly temporary and long-term migrants, as well as tourists, are transforming the lives of ethnic Tibetans.

¶5. (C) Development and the Qinghai-Tibet railroad are of course also changing the lives of millions of ethnic Tibetans in traditionally Tibetan areas outside the TAR (Note: Three million ethnic Tibetans (55% of China's 5.4 million ethnic Tibetan population (2000 census) live mostly in areas contiguous to the TAR in what is often referred to as "ethnographic Tibet.")). This report narrowly focuses on these processes only within the TAR, which comprises about one-third (1.2 million sq. km) of the area of traditional Tibetan regions in China.

¶6. (SBU) According to 2007 official population figures, the TAR's permanent registered population was 2.81 million. This number breaks down to 92% ethnic Tibetan, 5% ethnic Han and 3% other minorities. Compare this with 1994 population estimates for the TAR: total population 2.32 million, comprised of 2.24 million ethnic Tibetans (96.4%), ethnic Han 66,000 (2.8%), and 18,000 other minority people (0.8%). In other words, the official figures for the permanent registered population show a doubling of the proportion of ethnic Han over a 13-year period. The proportion of other minorities quadrupled although the numbers are quite small. (Note: In a PRC academic conference on the future of Tibet held several years ago, one academic suggested that the migration of non-Han minorities to Tibet should be encouraged in order to take attention away from Han-Tibetan tensions. End note.)

¶7. (U) In 2005 according to official statistics, the TAR's population was estimated at 73.35% rural (2.02 million people) and 26.65% urban (740,000). Since most migrant workers and tourists enter the TAR's urban areas, their impact on the TAR's urban population is likely to be relatively greater.

How Many in the Floating Population?

¶8. (SBU) There are a number of different Chinese official or press estimates of the size of the TAR's floating population and its various components:

-- In 2005, the TAR Statistical Bureau estimated that the portion of the floating population from outside the TAR that had resided in the TAR for six months or more came to 7% of the officially registered population, double the number from five years before.

-- Tourism to the TAR in 2006 rose 40% with the opening of the Qinghai-Tibet railway. Affordable train tickets forced airlines to follow with unprecedented discounts on airfares to the TAR, drawing in still more tourists. In 2000 there were 295,000 tourist visits to Tibet; in 2005 there were 1.3 million tourists. Tourist visits may reach 5 million in 2010. (Huaxi Dushibao June 2006).

¶9. (SBU) The Xinhua press agency reported in mid-December 2007 that the number of tourists visiting the TAR during 2007 will be over 60 percent higher than in 2006. This boosted tourism revenue by 73% to US\$650 million and helped maintain the TAR's record GDP growth. Accelerated development following the train construction and July 2006 opening pushed the TAR's GDP up 13.4 percent in 2006, its fastest growth in a decade.

¶10. (SBU) According to a 2006 TAR newspaper report, the TAR's floating population is growing at a 10% annual rate.

¶11. (C) A Congen Chengdu contact who has lived in and regularly visited the TAR over the past two decades estimates that the long-term Han population of Lhasa is now probably about 40%.

Sichuanese Most Numerous

¶12. (SBU) Sichuanese form a large part of the TAR's floating population: some Sichuan local governments organize groups of rural residents people to work in the TAR. At the Sichuan-Tibet Labor Discussion Conference, Sichuan Vice Governor Zhang Zuohe said there are about 100,000 Sichuanese working in the TAR under labor contracts. And according to a Sichuan Daily 2003 press report, "Everywhere in Tibet you see Sichuanese~ Of the 100,000 Sichuan workers in Tibet, about 60% are in construction, restaurants, entertainment, clothing and travel industries." According to a 2006 press report, 60% of the merchants in Lhasa are from Sichuan. Congenoffs have also observed numerous

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Sichuanese immigrants in the TAR (ref C).

¶13. (SBU) A TAR migrant worker study conducted in 2005 (before the completion of the Qinghai-Tibet Railroad) by Peking University researchers claimed:

-- PRC census figures show that the permanently registered ethnic Han population of Lhasa's urban district rose from 29% in 1990 to 34% in 2000, not including the many ethnic Han migrant workers.

-- Thirty percent of the temporary migrants to Lhasa came from Sichuan Province, followed by Gansu with 24%. Ethnic Tibetans from other parts of the TAR account for 14% of the Lhasa migrants.

-- The origin of migrant workers varies widely in different parts of Lhasa. While 32% of the Lhasa urban district migrants are from Sichuan Province, a September 2005 by the downtown Lhasa Bakhour Public Security Office estimated 70% of the migrants came from Sichuan Province.

(Source: Peking University demography professor Ma Rong and Tanzen Lhundup, "Survey of Lhasa's Floating Population" in the 4/2006 issue of N.W. Ethno-National Studies.)

Ethnic Han Working in Construction, Agriculture

¶14. (C) Although anecdotal evidence suggests that many ethnic Han migrants are working on construction projects, Chinese officials are reluctant to even express even an estimate of the proportion of ethnic Han working on any given project, as mentioned above. However, Congenoffs riding the Qinghai-to-Tibet train in March 2007 were told that 80% of

passengers on their packed train going into Tibet were laborers going to work in the TAR, another 10 to 15 percent were military or police, and the remainder were Chinese and foreign tourists (ref D).

PRC Academics On Lhasa's Floating Population

¶15. (SBU) Recent articles by PRC academics provide some inside information on the TAR's floating population drawn from TAR Public Security, Tourism Bureau, and Family Planning Office data as well as surveys by scholars. Their work not only illuminates the issue but also provides an indication of advice that Chinese leaders are getting on this issue.

¶16. (SBU) Ref B is a summary translation of Sichuan University Tibetology Department PhD student Bao Dong's article in the November 2007 issue of Tibetan Studies (Xizang Yanjiu) "Analysis of Lhasa's Floating Population After the Opening of the Qinghai Tibet Railway." According to Bao's report, President Hu Jintao directed more studies and better management of the TAR's floating population, and several internal conferences on this topic have been held. Bao's article draws together diverse sources including Tourism Bureau, Public Security Bureau, and Family Planning Office data and estimates to characterize Lhasa's floating population, which is about half of the total floating population of the Tibetan Autonomous Region. The article claims before the opening of the Qinghai-Tibet Railroad in June of 2006, Lhasa's floating population was 70,000 - 80,000 in the off season and about 170,000 in the May - November high season. After the railroad began operations, the city's floating population peaks seasonally at 200,000.

¶17. (SBU) The March 2006 article coauthored by Peking University Demography Institute Director and Brown University PhD Ma Rong, a longtime student of China's minority area populations, and Tibetan scholar Tanzen Lhundup titled "Survey of Lhasa's Floating Population" which appeared in the April 2006 issue of Northwest Ethno-National Studies (Xibei Minzu Yanjiu), has been mentioned in Paragraph 13 above. Based on 2005 field research (the year before the railroad opened), the report gives good sampling survey data on the composition and circumstances of the migrant workers in the TAR's floating population (although it ignores tourism, which as Bao Dong points out is an important component of Lhasa's floating population). The article's migrant worker sampling survey data is from December 2005 during the sharp seasonal dip in the floating population. Ma Rong concludes with a warning that China's western development policy in the TAR and other western areas increases the likelihood of conflict over culture and religion between ethnic Han Chinese and minority peoples as well as competition with them for

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resources and employment.

¶18. (C) Comment. Ma Rong's article is useful but too narrow for accurately assessing the floating population issue in Lhasa. However, taking the two articles together, it seems evident that the rise in the TAR's floating population has been recognized by academics as a serious problem for many years, which has now been accelerated by the coming of the railroad. End comment.

Tourist Congestion at Lhasa Airport May Have Pushed Out the PLA

¶19. (C) Massive increases in tourism to the TAR is likely just as important as migrant workers in its impact on Tibet. Indeed, one sign of tourist overload in Lhasa was the recent comment in PLA Daily by a PLA military officer in late November that, to take pressure off Lhasa's Gonggar Airport, henceforth the military would use the "Three Airfields and One Train" to move troops in and out of Tibet. According to a November PLA Daily report, PLA troops stage in the Chengdu airport to get high-altitude and high-plateau familiarization training before going to the TAR. Now the flights taking PLA soldiers in and out of the TAR will go to Chamdo and Linzhi airports as well as to the Lhasa airport. Another press report quoted a military spokesman who said the train is cheaper. (Note: Every evening a train leaves the Chengdu North railroad station for Lhasa on a

44-hour trip that first runs north to Lanzhou to connect to the Qinghai-Tibet railway. The Chengdu-Lhasa link serves not only the military and tourists but also migrant workers from Sichuan Province. End note.)

Effects on Tibetans

¶20. (SBU) A concern frequently voiced in the ethnic Tibetan community is that, despite noticeable economic growth led by both massive government capital expenditures and increased tourism, Tibetans are being left behind and missing out on many new job opportunities as Mandarin language skills become even more important. Recent open source reports cited below would seem to support this concern:

-- According to a 2004 Xinhua press report, ethnic Tibetan peasants are 40% illiterate and often speak only little Mandarin. They are often out-competed for work by more qualified peasants from the Chinese interior and often earn only half as much. The report concluded that after the railroad is completed, speaking Mandarin will be essential to getting a job in the TAR.

-- A more specific example is the training reported in the Tibet Daily of tour guides from the Chinese interior to go to the TAR to become tour guides as part of the campaign to "Assist Tibet." Some ethnic Tibetan tour guides complain that they are losing business to these "outside" tour guides brought in from other areas of China.

Comment: The Train, Marketization and Political Control

¶21. (C) Numerous sources appear to support the conclusion that migrants have been going to the TAR in large numbers for many years. Taken as a whole, and given the fact that the sources quoted above are dealing with a highly sensitive subject, it also seems that the completion of the railroad has led to a significant rise in the number of Han migrants looking for economic opportunities as well as a dramatic increase in the number of tourists present (and the 10% growth rate in the floating population cited above is likely a conservative estimate).

¶22. (C) One seldom-discussed effect of the railroad is an increased flow of cheaper goods into the TAR, which may be fueling a disruptive change in the TAR's retail economy. Another associated effect of the increase in the floating population is a rise in tensions between Han and ethnic Tibetans, which may be leading to overreactions by local Han and police to small incidents.

¶23. (C) As the central government tends to focus on economic development as the solution to the TAR's social and political problems, it appears to be saying "Let Tibetans get rich as long as they become good Chinese along the way." Some in the CCP may expect that development will change everyone's thinking, since

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according to Lenin, religious belief will fade with development and higher education. (ref E).

¶24. (C) Many ethnic Tibetans, as determined idealists and devout believers in a religion that is the traditional basis of their society, however, are far less likely to adhere to the official Communist line than are the Han Chinese who have been sent to the TAR to implement it. In the TAR, people whose jobs and incomes don't depend on the government, such as herders and monks, are already the people least likely to accept the Party line. Ironically, the Party may well find Marx working against it as more urban Tibetans get jobs in a real market economy as opposed to remaining dependent upon jobs in the heretofore extravagantly government subsidized urban economy.

HILL